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MEMORANDUM

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AZ CORP COMMISSION

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TO: M. Nancy Cole, Administrative Assistant II

Arizona Corporation Commission

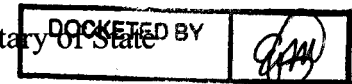
FROM: Caroline Butler

DOCKETED

DATE: July 6, 1999

JUL 7 1999

RE: Notice of Exempt Rulemaking returned by the Secretary of State
RE-00000C-99-0028



The attached documents are to be filed in the captioned docket. These are for the official record only and need not be distributed to the service list

Please call me if you have any questions. Thank you.

cc:
Ray Williamson
Ron Franquero
Peter Breen
File



Secretary of State
Public Services Division
1700 West Washington, 7th Floor
Phoenix, Arizona 85007
(602) 542-4086

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JUL 2 1999

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

Arizona Corporation Commission

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JUL 7 1999

MEMORANDUM

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ARIZ. CORP. COMMISSION

TO: Peter Breen, Attorney, Legal Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

FROM: Rhonda Paschal *R.P.*
Editor, *Arizona Administrative Register*

RE: *Register* Material

DATE: June 30, 1999

The item[s] listed below appeared in the June 25, 1999, issue of the *Register*.

- Notice of Exempt Rulemaking

If you detect any errors in the printing of these notices, please let me know. If you have any comments or questions, please contact me at (602) 542-4086.

After July 1, 1999, we will no longer send these letters.

R99-201 June 23 Reg


AGENCY CERTIFICATE

1. Agency name: Arizona Corporation Commission
2. Chapter heading: Corporation Commission-Fixed Utilities
3. Code citation for the Chapter: 14 A.C.C. 2
4. The Subchapters, if applicable; the Articles; the Parts, if applicable; and the Sections involved in the rulemaking, listed in alphabetical and numerical order:

Arizona Corporation Commission
DOCKETED

JUL 7 1999

<u>Subchapters, Articles, Parts, and Sections</u>	<u>Action:</u>
Article 2	
R14-2-207	Amend
R14-2-208	Amend
Article 5	
R14-2-506	Amend
R14-2-507	Amend

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AZ CORP COMMISSION

5. The rules contained in this package are true and correct as proposed.

6.  4 JUN 99
Signature of Agency Chief Executive Officer Date of signing

Brian C. McNeil
Printed or typed name of signer

Executive Secretary
Title of signer

7. No changes have been made to these rules since the Governor's Regulatory Review Council approved the rules. (This statement need only appear when the rules being submitted are final rules or summary rules approved by the Council.) These rules were amended under an exemption from the Attorney General approval provisions of the Arizona Administrative Procedural Act (See State of Arizona v. Arizona Corporation Commission, 114 Ariz. Adv. Rep. 36 (Ct. App. 1992)), as determined by the Corporation Commission. This exemption means that the rules as amended were not certified by the Attorney General.

R99-201

NOTICE OF EXEMPT RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;

SECURITIES REGULATION

CHAPTER 2: CORPORATION COMMISSION – FIXED UTILITIES

PREAMBLE

1. Sections Affected Rulemaking Action

Article 2

R14-2-207 Amend

R14-2-208 Amend

Article 5

R14-2-506 Amend

R14-2-507 Amend
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. §§ 40-202, 40-203, 40-321, 40-441 and 40-442 et seq.

Constitutional authority: Arizona Constitution, Article 15

Implementing statute: Not applicable
3. The effective date of the rules:

Commission rules are effective upon publication in the *Register*, therefore, these amended rules will become effective on June 25, 1999, the date they are anticipated to be published.
4. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening

 5 A.A.R., 816, March 19, 1999
Vol # Page # Issue Date

Notice of Proposed Rulemaking

 5 A.A.R., 906, April 2, 1999
Vol # Page # Issue Date

Notice of Exempt Rulemaking

5 A.A.R., , June 25, 1999
Vol # Page # Issue Date

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Peter Breen, Attorney, Legal Division

Address: Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-3402

Facsimile Number: (602) 542-4870

Name: Ron Franquero, Utilities Consultant

Address: Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Telephone: (602) 542-7275

Facsimile Number: (602) 542-2129

6. An explanation of the rule, including the agency's reasons for initiating the rule:

This is an update of the Commission's rules to conform to the current standards of the National Electrical Safety Code. Some affected utilities have requested the update.

7. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. **The summary of the economic, small business, and consumer impact:**

This rule will have a beneficial economic, small business, and consumer impact. It will allow the latest standards to be used while working on telecommunications and electrical cable. Contractors will not have to learn two sets of rules for regulated and unregulated entities. The latest edition of the rules allows for certain efficiencies in construction practices which would save money for contractors, utilities and consumers.

10. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

There were no amendments to these rules from the proposed amended rules and the final rules approved by the Commissioners on June 1, 1999 at the properly noticed Open Meeting.

11. **A summary of the principal comments and the agency response to them:**

The only comment filed in this Commission Docket was filed by U S WEST Communications, Inc. In summary, those comments supported Staff's proposed amendments. The Commission did not respond to those comments as they did not offer any change or revision of the proposed amended rules.

12. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

13. **Incorporations by reference and their location in the rules:**

The National Electrical Safety Code, 1997-C2 of the American National Standard Institute Standards set minimum safety standards for the installation and maintenance of overhead and underground electric and communications facilities. The regulations are attached to this Notice of Exempt Rulemaking and may be found at the Arizona Corporation Commission, Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007. These regulations are incorporated by reference in the amended rules at R14-2-207(E)(3)(c), R14-2-208(F)(1), R14-2-506(E)(3)(c) and R14-2-507(E)(1).

14. **Was this rule previously adopted as an emergency rule?**

No

15. **The full text of the rules follows:**

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 2: CORPORATION COMMISSION – FIXED UTILITIES

ARTICLE 2. ELECTRIC UTILITIES

- R14-2-207. Line Extensions
- R14-2-208 Provision of Service

ARTICLE 5. TELEPHONE UTILITIES

- R14-2-506. Construction Agreement
- R14-2-507. Provision of Service

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;

SECURITIES REGULATION

CHAPTER 2: CORPORATION COMMISSION – FIXED UTILITIES

ARTICLE 2. ELECTRIC UTILITIES

R14-2-207. Line Extensions

- A. No change.
- B. No change.
- C. No change.
- D. No change.
- E. Single phase underground extensions in subdivision developments.
 - 1. No change.
 - 2. No change.
 - 3. Installation of single phase underground electric lines within a subdivision.
 - a. No change.
 - b. No change.
 - c. The utility shall install or cause to be installed underground electric lines and related equipment in accordance with the applicable provisions of the ~~1993~~ 1997 edition (and no further editions) of ANSI C2 (National Electrical Safety Code) with sufficient capacity and suitable materials which shall assure adequate and reasonable electric service in the foreseeable future. ANSI C2 is incorporated by reference, and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.
 - d. No change.
 - 4. No change.
 - 5. No change.

R14-2-208. Provision of Service

- A. No change.

B. No change.

C. No change.

D. No change.

E. No change.

F. Construction standard and safety

1. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State, and the 1995 edition (and no future editions) of ANSI B31.1 (ASME Code for Pressure Piping), incorporated by reference and on file with the Office of the Secretary of State. Copies of the National Electrical Safety Code are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017. Copies of the ASME Code for Pressure Piping are available from the American Society of Mechanical Engineers, 345 East 47th Street, New York, New York 10017.

2. No change.

ARTICLE 5. TELEPHONE UTILITIES

R14-2-506. Construction Agreement

A. No change.

B. No change.

C. No change.

D. No change.

E. Underground extension of communication lines

1. No change.

2. No change.

3. Installation of underground communication lines within subdivision and multiple occupancy residential developments:

- a. No change.

- b. No change.

c. The utility shall install or cause to be installed underground communication lines and related equipment in accordance with the applicable provisions of the 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code) ~~as heretofore or hereafter amended~~, with sufficient capacity and suitable materials which shall assure adequate and reasonable communication service in the foreseeable future.

d. No change.

4. No change.

F. No change.

G. No change.

R14-2-507. Provision of Service

A. No change.

B. No change.

C. No change.

D. No change.

E. Construction Standards

1. Each utility shall construct all facilities in accordance with the provisions of the ~~1993~~ 1997 edition (and no future editions) of ANSI C2 (National Electrical Safety Code), incorporated by reference and on file with the Office of the Secretary of State. Copies are available from the Institute of Electrical and Electronic Engineers, Inc., 345 East 47th Street, New York, New York 10017.

**ECONOMIC IMPACT STATEMENT
PER A.R.S. SECTION 41-1053**

1. **BRIEF DESCRIPTION:** These amendments will amend already existing rules (R14-2-207, R14-2-208, R14-2-506, and R14-2-507) under Chapter 2 entitled "Corporation Commission – Fixed Utilities".

The proposed amendments to the existing rules are designed to update the Arizona Corporation Commission Fixed Utilities rules to recognize the amendments to ANSI C2, National Electrical Safety Code (the federal safety standards for overhead and underground electric and telecommunication facilities.)

2. **NEED:** Construction code needs to be updated to conform to current industry standard.
3. **AFFECTED CLASSES OF PERSONS:** Electric utilities and telecommunications companies subject to the jurisdiction of the Commission.
4. **RULE IMPACT ON AFFECTED CLASSES OF PERSONS:** This rule should allow the affected utilities to use the latest version of the National Electrical Safety Code.
5. **COST AND BENEFITS TO THE AGENCY:** There is no benefit to the agency as an institution. This rule should help carry out the agency's mission of efficient governance.
6. **COST AND BENEFITS TO POLITICAL SUBDIVISIONS:** Not applicable.
7. **COST AND BENEFITS TO PRIVATE PERSONS:** This should allow contractors to utilities to use only one electrical safety code as they presumably do in their operations with unregulated entities.
8. **COST AND BENEFITS TO CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE IN THE IMPLEMENTATION OF THE NEW RULES:** Lower costs to providers means lower costs to consumers.

9. **LESS COSTLY OR INTRUSIVE METHODS:** None.
10. **ALTERNATIVE METHODS CONSIDERED:** There are no less costly alternatives available.

CONCISE EXPLANATORY STATEMENT

The Arizona Corporation Commission proposed to amend the "Corporation Commission – Fixed Utilities" Rules R14-2-207, R14-2-208, R14-2-506, and R14-2-507. The proposed amendments update Commission rules to require use of the latest version of the National Electric Safety Code.

The Commission's Rules recognize federal changes to ANSI C2, National Electrical Safety Code.

STATEMENT OF EFFECT ON SMALL BUSINESS

The proposed rule should have a mildly beneficial effect on small business. Contractors working around affected wires would only use one electrical code for regulated and unregulated entities. The new code allows certain cost-saving construction techniques to be used.